

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking Pursuant to
Assembly Bill 2514 to Consider the Adoption of
Procurement Targets for Viable and
Cost- Effective Energy Storage Systems.

Rulemaking 10-12-007
(Filed December 16, 2010)

**DECISION GRANTING COMPENSATION TO THE UTILITY REFORM
NETWORK FOR SUBSTANTIAL CONTRIBUTION TO DECISION 13-10-040**

Claimant: The Utility Reform Network	For contribution to Decision (D.) 13-10-040
Claimed: \$24,273.62	Awarded: \$23,673.62 (reduced 2.5%)
Assigned Commissioner: Carla Peterman	Assigned ALJ: Colette Kersten

PART I: PROCEDURAL ISSUES

A. Brief Description of Decision:	<p>This decision establishes the policies and mechanisms for procurement of electric energy storage pursuant to Assembly Bill 2514 (Pub. Util. Code § 2836 et seq.). This decision establishes a target of 1,325 megawatts (MW) of energy storage to be procured by Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company by 2020, with installations required no later than the end of 2024, and sets a schedule for procurement of energy storage. The decision directs these utilities to file separate procurement applications containing a proposal for their first energy storage procurement period by March 1, 2014. This decision further establishes a target for community choice aggregators and electric service providers to procure energy storage equal to 1 percent of their annual 2020 peak load by 2020 with installation no later than 2024, consistent with the requirements for the utilities.</p>
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B. Claimant must satisfy intervenor compensation requirements set forth in Public Utilities Code §§ 1801-1812:

	Claimant	CPUC Verified
Timely filing of notice of intent to claim compensation (NOI) (§ 1804(a)):		
1. Date of Prehearing Conference:	April 21, 2011	Verified
2. Other Specified Date for NOI:	-----	
3. Date NOI Filed:	May 23, 2011	Verified
4. Was the NOI timely filed?		Yes
Showing of customer or customer-related status (§ 1802(b)):		
5. Based on ALJ ruling issued in proceeding number:	R.10-12-007	Verified
6. Date of ALJ ruling:	July 5, 2011	Verified
7. Based on another CPUC determination (specify):	-----	
8. Has the Claimant demonstrated customer or customer-related status?		Yes
Showing of “significant financial hardship” (§ 1802(g)):		
9. Based on ALJ ruling issued in proceeding number:	P.10-08-016	R.10-12-007
10. Date of ALJ ruling:	November 22, 2010	July 5, 2011
11. Based on another CPUC determination (specify):	-----	
12. Has the Claimant demonstrated significant financial hardship?		Yes
Timely request for compensation (§ 1804(c)):		
13. Identify Final Decision:	D.13-10-040	Verified
14. Date of Issuance of Final Order or Decision:	October 21, 2013	Verified
15. File date of compensation request:	December 20, 2013	Verified
16. Was the request for compensation timely?		Yes

PART II: SUBSTANTIAL CONTRIBUTION**C. In the fields below, describe in a concise manner Claimant’s contribution to the final decision (see § 1802(i), § 1803(a) & D.98-04-059).**

Contribution	Specific References to Claimant’s Presentations and to Decision	Showing Accepted by CPUC
1. Targets (T) TURN argued that the procurement framework contain flexibility in the	Comments of The Utility Reform Network on the Assigned Commissioner’s Ruling Proposing	

<p>procurement targets from year to year to address the availability, cost effectiveness, and viability of energy storage projects in a given year.</p> <p>TURN suggested a modest approach and recommended the Commission raise the amount of such procurement the IOUs may seek to defer, or, in the alternate, that the levels of these off-ramps be reviewed again in future proceedings regarding the storage program based on the data the initial auctions provide.</p> <p>The Commission agreed that being overly prescriptive may have unintended market consequences and that some flexibility in the procurement targets is necessary. The Commission agreed that utilities should be allowed to defer up to 80% of its target MWs to later procurement periods.</p> <p>Commission also modified the solicitation schedule and agreed that the program and targets could be adjusted based on the initial solicitation.</p>	<p>Storage Procurement Targets and Mechanisms (henceforth, “TURN Opening Comments”), filed July 3, pp. 1-2.</p> <p>D.13-10-040, pp. 25-26, 42-43.</p>	<p>Yes</p>
<p>2. Targets (T)</p> <p>TURN specifically argued that utilities should be able to exceeds its procurement target in one year and allow the excess quantities to offset its procurement targets for following years.</p> <p>TURN also argued that if one or more proposals appear to offer a very cost-competitive solution, the IOUs should be allowed to exceed their procurement targets in a given year.</p> <p>TURN also argued that the Commission should clarify the proposal to explicitly require the IOUs to carry over any quantities not purchased in one auction to future auctions.</p> <p>The Commission agreed, stating that the requirements allow for the banking of MW to allow for over-procurement in a target year and that the over-procurement may be used to reduce the target in the following procurement year.</p>	<p>TURN Opening Comments, p. 3.</p> <p>D.13-10-040, p. 26.</p>	<p>Yes</p>

<p>3. Targets (T)</p> <p>TURN argued that the framework contain sufficient flexibility to allow utilities to procure different quantities from the various use-case buckets (transmission, distribution, and customer-sited) in order to minimize customer costs and identify and procure the “best” storage resources.</p> <p>The Commission agreed, stating, “We agree with SCE and other parties that there should be flexibility among all three points of interconnection to maximize and balance both developer and ratepayer value. We are persuaded by arguments that overly prescriptive targets, without any necessary adjustments, would ultimately drive up ratepayer costs and hamper the development of necessary market experience that would eventually drive other needed adjustments.” The Commission adjusted the program to allow for up to 80% of the MW to be shifted between transmission and distribution domains.</p>	<p>TURN Opening Comments, pp. 3-4.</p> <p>D.13-10-040, p. 39.</p>	<p>Yes</p>
<p>4. Cost-Effectiveness (CE)</p> <p>TURN argued, that rather than rely on the EPRI or DNV KEMA models, the Commission look to the commercially binding offers submitted by storage providers in response to utility auctions to determine cost-effectiveness.</p> <p>The Commission agreed, stating, “We agree with parties that any actual finding of cost-effectiveness should only be done in a utility application for approval of storage contracts or rate- based additions, where there is a specific project and actual project inputs. Moreover, based on parties’ comments, we find that the EPRI and DNV KEMA models should not be required by the Commission as the sole methodologies for assessing cost effectiveness at this point. As such, we shall allow the IOUs to propose their own methodology to evaluate the cost and benefits of bids.”</p>	<p>TURN Opening Comments, pp. 5-6.</p> <p>D.13-10-040, p. 63.</p>	<p>Yes</p>

<p>5. Cost-Effectiveness (CE)</p> <p>TURN argued that a cost cap would not be necessary if the program was adjusted to give IOUs greater flexibility in procurement.</p> <p>The Commission agreed that no cost cap was necessary given the procurement flexibility provided to IOUs in the modified framework.</p>	<p>TURN Opening Comments, p. 6.</p> <p>D.13-10-040, p. 63.</p>	<p>Yes</p>
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A. Duplication of Effort (§§ 1801.3(f) & 1802.5):

	Claimant	CPUC Verified
a. Was the Office of Ratepayer Advocates (ORA)¹ a party to the proceeding?	Yes	Verified
b. Were there other parties to the proceeding with positions similar to yours?	Yes	Verified
c. If so, provide name of other parties: ORA, Consumer Federation of California		Verified
d. Describe how you coordinated with ORA and other parties to avoid duplication or how your participation supplemented, complemented, or contributed to that of another party: <p>Due to the logistics of this phase of the proceeding, where Commissioner Peterman requested all parties to answer the same questions regarding storage procurement targets and the sheer numbers of parties in this proceeding, coordinating with all parties to entirely avoid duplication of effort and viewpoints would have been nearly impossible. TURN did, however, engage in discussions with ORA, CLECA, and CESA to understand their positions and coordinate responses where possible. TURN was one of the few ratepayer advocate groups in a rulemaking heavily dominated by utilities and interested industry parties, and, as such, provided input from a ratepayer perspective that may otherwise not have been voiced.</p>		Verified

¹ The Division of Ratepayer Advocates was renamed the Office of Ratepayer Advocates effective September 26, 2013, pursuant to Senate Bill No. 96 (Budget Act of 2013), which was approved by the Governor on September 26, 2013.

PART III: REASONABLENESS OF REQUESTED COMPENSATION**A. General Claim of Reasonableness (§§ 1801 & 1806):**

<p>a. Intervenor's Claim of Cost Reasonableness</p> <p>Assigning a specific dollar value to TURN's participation in this proceeding is extremely difficult because this rulemaking was intended to create a general framework for energy storage procurement. This rulemaking established specific targets for utilities but did not make a finding on the cost effectiveness of any particular storage technology or discuss the total costs of the storage targets. Generally, to the extent that the Commission specifically invited any and all parties to respond to the OIR and participate in the discussions and workshops, the Commission may safely conclude that by speaking on behalf of residential ratepayers in a Rulemaking heavily dominated by utilities, storage industry parties, and environmentally focused groups, TURN presented important issues on behalf of residential ratepayers that otherwise may not have been addressed, even if it is difficult to assign a dollar value to those issues.</p> <p>In the past, the Commission has acknowledged that assigning a dollar value to intangible benefits may be difficult, and the Commission should treat this compensation request as it has treated similar past requests with regard to the difficulty of establishing specific monetary benefits associated with TURN's participation.²</p>	<p>CPUC Verified</p> <hr/> <p>Verified</p>
<p>b. Reasonableness of Hours Claimed.</p> <p><u>TURN Attorneys:</u></p> <p>Matthew Freedman: Mr. Freedman was the original TURN attorney assigned to this proceeding at the outset of Rulemaking 10-12-007, and his hours reflect time spent on the proceeding in 2011 and 2012. Mr. Freedman also provided input and assistance to Ms. Suetake in this later iteration of the Rulemaking, particularly with regards to overlaps between energy storage procurement framework and targets and the framework for renewable energy procurement.</p> <p>Nina Suetake: Ms. Suetake was the primary attorney assigned to this proceeding after Commissioner Peterman's Assigned Commissioner Ruling of June 10, 2013</p>	

² See, i.e., D.99-12-005, pp. 6-7 (Compensation Decision in 1995 Storm Phase of PG&E GRC, A.97-12-020) and D.00-04-006, pp. 9-10 (Compensation Decision in Edison PBR Midterm Review, A.99-03-020) (recognizing the overall benefit of TURN's participation where that participation assisted the Commission in developing a record on which to assess the reasonableness of the utility's operations, and particularly its preparedness and performance in the future); D.00-05-022 (Compensation Decision in the Emergency Standards Proceeding) (awarding TURN \$92,000 in D.00-10-014 for our substantial contribution to the earlier decision, despite TURN's inability to assign a dollar value to the benefit of our participation in order to demonstrate "productivity." Interestingly, the Commission awarded compensation even though the emergency restoration standards may never come into play in the future, since they come into play only after a "major outage," which is defined as impacting more than 10% of a utility's customers. The contingent nature of the future standards did not cause the Commission to hesitate in awarding TURN compensation.).

<p>and was solely responsible for drafting all of TURN’s pleadings. Her hours reflect the tasks required to participate in a Rulemaking with multiple parties, including reading the numerous comments filed by all the parties as well as preparing for and participating in Commission-sponsored workshops.</p> <p>Thomas Long: Mr. Long’s minimal hours were devoted to shepherding the rulemaking from Mr. Freedman to Ms. Suetake, when Mr. Freedman needed to be relieved of responsibility for the proceeding due to resource constraints.</p> <p><u>TURN Consultants</u></p> <p>Kevin Woodruff: Given the similarity between and overlap of energy storage procurement and energy procurement in general, TURN retained the services of Woodruff Expert Services to assist with the preparation of comments on both the Ruling and the Proposed Decision. Mr. Woodruff has extensive experience with energy procurement, renewable procurement, LTTP, and resource adequacy, his input was critical in shaping TURN’s position on energy storage and the questions presented in Commissioner Peterman’s ruling.</p>	Verified															
<p>c. Allocation of Hours by Issue</p> <p>TURN has allocated all of our attorney and consultant time by issue area or activity, as evident in our attached timesheets. The following codes related to general activities that are part of nearly all CPUC proceedings, such as tasks associated with general participation and procedural matters, as well as the specific substantive issue and activity areas addressed by TURN in this proceeding.</p> <table><tr><th>Code</th><th>Description</th><th>Allocation of Time</th></tr><tr><td>GP</td><td>General participation: Time spent on activities necessary to participate in the docket that typically do not vary by the number of issues addressed, such as the initial review of the Scoping Memo and Ruling, reading staff issued papers, review of party comments and reply comments, and reviewing and commenting on the proposed decision.</td><td>36.86%</td></tr><tr><td>T</td><td>Targets: Work in this category addressed the issue of energy storage procurement targets, including target levels, flexibility, off-ramps, and use-cases.</td><td>28.10%</td></tr><tr><td>CE</td><td>Cost-Effectiveness: Work in this category addressed the issue of cost-effectiveness of energy storage technologies, cost-containment, and cost caps.</td><td>2.42%</td></tr><tr><td>W</td><td>Workshop: Work devoted to preparation for and participation in workshops held by the Commission on energy storage issues.</td><td>20.24%</td></tr></table>	Code	Description	Allocation of Time	GP	General participation: Time spent on activities necessary to participate in the docket that typically do not vary by the number of issues addressed, such as the initial review of the Scoping Memo and Ruling, reading staff issued papers, review of party comments and reply comments, and reviewing and commenting on the proposed decision.	36.86%	T	Targets: Work in this category addressed the issue of energy storage procurement targets, including target levels, flexibility, off-ramps, and use-cases.	28.10%	CE	Cost-Effectiveness: Work in this category addressed the issue of cost-effectiveness of energy storage technologies, cost-containment, and cost caps.	2.42%	W	Workshop: Work devoted to preparation for and participation in workshops held by the Commission on energy storage issues.	20.24%	Verified
Code	Description	Allocation of Time														
GP	General participation: Time spent on activities necessary to participate in the docket that typically do not vary by the number of issues addressed, such as the initial review of the Scoping Memo and Ruling, reading staff issued papers, review of party comments and reply comments, and reviewing and commenting on the proposed decision.	36.86%														
T	Targets: Work in this category addressed the issue of energy storage procurement targets, including target levels, flexibility, off-ramps, and use-cases.	28.10%														
CE	Cost-Effectiveness: Work in this category addressed the issue of cost-effectiveness of energy storage technologies, cost-containment, and cost caps.	2.42%														
W	Workshop: Work devoted to preparation for and participation in workshops held by the Commission on energy storage issues.	20.24%														

PD	Proposed Decision: Work devoted to the preparation of comments on the proposed decision which preceded D.13-10-040 that is not allocable to a specific issue.	3.02%
Comp	Compensation related: Work devoted to preparation of TURN’ request for compensation.	9.37%
TOTAL		100.00%

TURN submits that under the circumstances this information should suffice to address the allocation requirement under the Commission’s rules. Should the Commission wish to see additional or different information on this point, TURN requests that the Commission so inform TURN and provide a reasonable opportunity for TURN to supplement this showing accordingly.

B. Specific Claim:*

CLAIMED						CPUC AWARD		
ATTORNEY, EXPERT, AND ADVOCATE FEES								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate \$	Total \$
Matthew Freedman, TURN Attorney	2011	12.75	350	D.12-07-019	4,462.5	12.75	\$350.00 ³	\$4,462.50
Matthew Freedman, TURN Attorney	2012	1.5	375	See comment 1	562.5	1.5	\$375.00 ⁴	\$562.00
Matthew Freedman, TURN Attorney	2013	1.5	400	See comment 1	600	1.5	\$400.00 ⁵	\$600.00
Nina Suetake, TURN Attorney	2013	33.5	320	See comment 1	10,720	33.5	\$320.00 ⁶	\$10,720.00
Tom Long, TURN Attorney	2013	1	555	See comment 1	555	1	\$555.00 ⁷	\$555.00

³ Approved in D.12-07-019.⁴ Application of 2.2% Cost-of-Living Adjustment from Res. ALJ-281 and first 5% step increase.⁵ Application of 2.0% Cost-of-Living Adjustment from Res. ALJ-287 and second 5% step adjustment.⁶ Approved in D.14-02-014.⁷ Approved in D.14-06-027.

PROPOSED DECISION

CLAIMED						CPUC AWARD		
ATTORNEY, EXPERT, AND ADVOCATE FEES								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate \$	Total \$
Kevin Woodruff, Woodruff Expert Services	2013	25.5	240	D.12-11-050	6,120	23 ^[A]	\$240.00 ⁸	\$5,520.00
Subtotal: \$23,020.00						Subtotal: \$22,420.00		
INTERVENOR COMPENSATION CLAIM PREPARATION**								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate	Total \$
Nina Suetake	2013	7.75	160	1/2 2013 hourly rate; see comment 1	1,240	7.75	\$160.00	\$1,240.00
Subtotal: \$1,240						Subtotal: \$1,240.00		
COSTS								
#	Item	Detail			Amount	Amount		
1	Copies	Copies of pleadings for this proceeding			4.4	\$4.40		
2	Phone	Telecommunications related to this proceeding			0.86	\$0.86		
3	Postage	For mailing pleadings			8.36	\$8.36		
Subtotal: \$13.62						Subtotal: \$13.62		
TOTAL REQUEST: \$24,273.62						TOTAL AWARD: \$23,673.62		
<p>*We remind all intervenors that Commission staff may audit their records related to the award and that intervenors must make and retain adequate accounting and other documentation to support all claims for intervenor compensation. Claimant’s records should identify specific issues for which it seeks compensation, the actual time spent by each employee or consultant, the applicable hourly rates, fees paid to consultants and any other costs for which compensation was claimed. The records pertaining to an award of compensation shall be retained for at least three years from the date of the final decision making the award.</p> <p>**Reasonable claim preparation time typically compensated at ½ of preparer’s normal hourly rate.</p>								

⁸ Approved in D.13-10-037.

Attorney	Date Admitted to CA BAR⁹	Member Number	Actions Affecting Eligibility (Yes/No?) If "Yes", attach explanation
Nina Suetake	December 14, 2004	234769	No
Thomas Long	December 11, 2004	124776	No
Matthew Freedman	March 29, 2001	214812	No

C. Attachments Documenting Specific Claim and Comments on Part III:

Attachment or Comment #	Description/Comment
Attachment 1	Certificate of Service
Attachment 2	Daily Time Records for TURN Attorneys and Experts
Attachment 3	Expense Detail
Attachment 4	Time Allocation by Issue
Comment 1	<p><u>Hourly Rates for TURN Attorneys</u></p> <p>TURN seeks hourly rates for its staff attorneys at levels that the Commission has previously adopted for each individual's work in a given year, or at an increased level for 2012 consistent with ALJ-281 and for 2013 consistent with ALJ-287. The following describes the basis for the requested rates that have not been previously awarded as of the date of this Request for Compensation.</p> <p><u>Matthew Freedman</u></p> <p>For Mr. Freedman's work in 2012, TURN seeks an hourly rate of \$375, an increase of 7.2% from the previously awarded rate of \$350 for 2011 (D.12-07-019). The increase is consistent with the general 2.2% cost-of-living increase provided for in Resolution ALJ-281, plus the first of two 5% step increases available with his move in 2011 to the 13+ years experience tier. TURN has a pending request for compensation for Mr. Freedman's work in 2012 at this hourly rate in A.11-06-007.</p> <p>For Mr. Freedman's work in 2013, TURN seeks an hourly rate of \$400, an increase of 7% from the requested hourly rate for his work in 2012. This 7% increase is consistent with the general 2% cost-of-living increase provided for in Resolution ALJ-287, plus the second of two 5% step increases available with his move in 2011 to the 13+ years experience tier.</p> <p><u>Nina Suetake</u></p> <p>For Ms. Suetake's work in 2013, TURN seeks an hourly rate of \$320, an increase of 2% from the rate authorized in D.13-08-022 for her work in 2012. This is the general 2% increase provided for in Resolution ALJ-287. TURN has a pending request for compensation for Ms. Suetake's work in 2013 at this hourly rate in A.07-06-031.</p>

⁹ This information may be obtained at: <http://www.calbar.ca.gov/>.

	<p><u>Thomas Long</u></p> <p>For Mr. Long's work in 2013, TURN seeks an hourly rate of \$555, an increase of 2% from the rate authorized in D.13-10-065 for his work in 2012. This is the general 2% cost-of-living increase provided for in Resolution ALJ-287. TURN has two pending requests for compensation for Mr. Long's work in 2013 at this hourly rate, one in A.10-12-005/006 and the other in A.07-06-031.</p>
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D. CPUC Disallowances and Adjustments:

Item	Reason
A	Reduction of 2.5 hours to Woodruff for time spent discussing issues with TURN.

PART IV: OPPOSITIONS AND COMMENTS

A. Opposition: Did any party oppose the Claim?	No
B. Comment Period: Was the 30-day comment period waived (<i>see</i> Rule 14.6(2)(6))?	Yes

FINDINGS OF FACT

1. The Utility Reform Network (TURN) has made a substantial contribution to D.13-10-040.
2. The requested hourly rates for TURN's representatives, as adjusted herein, are comparable to market rates paid to experts and advocates having comparable training and experience and offering similar services.
3. The claimed costs and expenses, as adjusted herein, are reasonable and commensurate with the work performed.
4. The total of reasonable compensation is \$23,673.62.

CONCLUSION OF LAW

The Claim, with any adjustment set forth above, satisfies all requirements of Public Utilities Code Sections 1801-1812.

ORDER

1. The Utility Reform Network is awarded \$23,673.62.
2. Within 30 days of the effective date of this decision, Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company shall pay The Utility Reform Network (TURN) their respective shares of the award, based on their California-jurisdictional electric revenues for the 2013 calendar year, to reflect the year in which the proceeding was primarily litigated. Payment of the award shall include interest at the rate earned on prime, three-month non-financial commercial paper as reported in Federal Reserve Statistical Release H.15, beginning March 05, 2013, the 75th day after the filing of TURN's request, and continuing until full payment is made.
3. The comment period for today's decision is waived.
This decision is effective today.

Dated _____, at San Francisco, California.

APPENDIX**Compensation Decision Summary Information**

Compensation Decision:		Modifies Decision?	No
Contribution Decision(s):	D1310040		
Proceeding(s):	R1012007		
Author:	ALJ Kersten		
Payer(s):	Pacific Gas and Electric Company, San Diego Gas and Electric Company, Southern California Edison Company		

Intervenor Information

Intervenor	Claim Date	Amount Requested	Amount Awarded	Multiplier?	Reason Change/Disallowance
The Utility Reform Network	12/20/13	\$24,273.62	\$23,673.62	N/A	See Part III D

Advocate Information

First Name	Last Name	Type	Intervenor	Hourly Fee Requested	Year Hourly Fee Requested	Hourly Fee Adopted
Matthew	Freedman	Attorney	The Utility Reform Network	\$350.00	2011	\$350.00
Matthew	Freedman	Attorney	The Utility Reform Network	\$375.00	2012	\$375.00
Matthew	Freedman	Attorney	The Utility Reform Network	\$400.00	2013	\$400.00
Nina	Suetake	Attorney	The Utility Reform Network	\$320.00	2013	\$320.00
Tom	Long	Attorney	The Utility Reform Network	\$555.00	2013	\$555.00
Kevin	Woodruff	Expert	The Utility Reform Network	\$240.00	2013	\$240.00

(END OF APPENDIX)